

## Message Text

LIMITED OFFICIAL USE

PAGE 01 THE HA 00239 150919Z  
ACTION IO-13

INFO OCT-01 EUR-12 EA-07 ISO-00 AID-05 EB-07 CIAE-00  
DODE-00 PM-04 H-01 INR-07 L-03 NSAE-00 NSC-05 PA-01  
PRS-01 SP-02 SS-15 USIA-06 ABF-01 FRB-03 FAA-00  
DOTE-00 OMB-01 TRSE-00 /095 W  
-----150926Z 054605 /10

P R 141627Z JAN 77  
FM AMEMBASSY THE HAGUE  
TO SECSTATE WASHDC PRIORITY 9706  
INFO AMEMBASSY BONN  
AMEMBASSY BRUSSELS  
AMEMBASSY COPENHAGEN  
USMISSION GENEVA  
AMEMBASSY LONDON  
AMEMBASSY MOSCOW  
USMISSION USUN NEW YORK  
AMEMBASSY OSLO  
AMEMBASSY OTTAWA  
AMEMBASSY PARIS  
AMEMBASSY ROME  
AMEMBASSY STOCKHOLM  
AMEMBASSY VIENNA  
AMEMBASSY WELLINGTON

LIMITED OFFICIAL USE THE HAGUE 0239

E.O. 11652: NA  
TAGS: UNDP EAID NL  
SUBJECT: UNDP: US INITIATIVES ON USE OF ACCUMULATED NON-  
CONVERTIBLE CURRENCIES

REF: (A) STATE 006774, (B) STATE 006775, (C) 76 THE HAGUE 6108

1. SUMMARY. WE DELIVERED TALKING POINTS AND AID MEMOIRE TO  
OFFICIALS IN FOREIGN AND FINANCE MINISTRIES JAN 13 AND 14.  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 THE HA 00239 150919Z

DEPUTY CHIEF OF DIRECTORATE OF INTERNATIONAL ORGANIZATIONS  
IN FOREIGN MINISTRY, G. RINGNALDA, EXPRESSED DOUBTS ABOUT  
THE PROPOSAL AND INFORMALLY PUT FORWARD A DUTCH SUGGESTION  
ON HOW TO DISPOSE OF AT LEAST SOME OF THE ACCUMULATED  
CURRENCIES. DIRECTOR OF FOREIGN FINANCIAL RELATIONS  
IN MINISTRY OF FINANCE, DRS B.F. BARON VAN ITTERSUM  
(SUCCESSOR TO A. IJ.A. LOOIJEN), AND HIS DEPUTY, THE

HEAD OF THE DIVISION ON DEVELOPMENT COOPERATION, J. NIERSTRASZ, ALSO TOOK A QUESTIONING ATTITUDE. RINGNALDA PROMISED TO SEND THE TEXT OF THE AID MEMOIRE TO NEW YORK AND ASK THE DUTCH UN DELEGATION TO CONTACT USUN. END SUMMARY.

2. RINGNALDA SAID THAT THE DUTCH GOVERNMENT HAD BEEN THROUGH THE MATTER THOROUGHLY BEFORE. HIS FIRST REACTION, WAS NEGATIVE. HE NOTED THAT SOME OF THE DEVELOPING COUNTRIES WOULD HAVE TO BUY THE NON-CONVERTIBLE ACCUMULATED CURRENCIES WITH THEIR OWN NON-CONVERTIBLE CURRENCIES. ALTHOUGH HE RECOGNIZED THE POLITICAL DIFFERENCE BETWEEN COUNTRIES SUCH AS SAY PAKISTAN AND THE SOVIET UNION THAT WOULD MAKE IT EASIER FOR THE UNDP TO SPEND PAKISTANI CURRENCY IN PAKISTAN THAN IT COULD RUBLES IN THE SOVIET UNION, HE THOUGHT THAT THE NET GAIN TO THE UNDP WOULD NOT BE SIGNIFICANT. HE ALSO SAID THAT IF THE TWO PERCENT WERE SPREAD AMONG ALL THE ELIGIBLE DEVELOPING COUNTRIES, THE RESULT MIGHT BE A LOWERING OF THE INDICATIVE FPLANNING BECAUSE ALL THE RECEIVING COUNTRIES MAY NOT NECESSARILY WANT TO USE THE PARTICULAR NON-CONVERTIBLE CURRENCIES INVOLVED. NIERSTRASZ MADE A SIMILAR POINT ABOUT THE APPORTIONMENT OF NON-CONVERTIBLE CURRENCIES, SAYING THAT SOME DEVELOPING COUNTRIES MAY HAVE MORE USE FOR ONE PARTICULAR NON-CONVERTIBLE CURRENCY THAN ANOTHER. ACCORDING TO RINGNALDA, THE DUTCH HAVE BEEN THINKING THAT REGIONAL PROJECTS SUCH AS CONFERENCES AND SYMPOSIA COULD BE FINANCED BY RUBLES AND TAKE PLACE IN MOSCOW OR LENINGRAD. HE SUGGESTED THAT THE UN MIGHT EVEN CONSIDER HOLDING A WORLD CONFERENCE IN THE SOVIET UNION, USING FUNDS PURCHASED FROM THE LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 THE HA 00239 150919Z

UNDP.

4. COMMENT: THE INITIAL DUTCH ENTHUSIASM LAST JULY FOR THE US PROPOSAL TO BUY NON-CONVERTIBLE CURRENCIES WANED ON FURTHER CONSIDERATION. THE INFORMAL REACTION TO THE ELABORATION OF OUR PROPOSAL SUGGESTS THAT THE DUTCH WILL NOT BE WON EASILY TO IS SUPPORT. THERE COULD BE AN ELEMENT OF POLITICS IN THIS, NAMELY THAT THEY MAY NOT THINK IT WORTH THE TROUBLE WITH THE EASTERN EUROPEAN COUNTRIES FOR WHAT ARE SEEN AS MARGINAL GAINS. WERE THE US TO FAVOR THE SUGGESTION REGARDING UN CONFERENCES TESTED ON US BY RINGNALDA, HOWEVER, IT MIGHT HELP TO PROMOTE DUTCH INVOLVEMENT IN DEALING WITH THE WHOLE ISSUE INCLUDING OUR PROPOSAL.

MCCLOSKEY

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** DEMARCHE, AIDE MEMOIRE, CONVERTIBLE FOREIGN EXCHANGE, DEVELOPMENT PROGRAMS, FOREIGN EXCHANGE HOLDINGS, GOVERNMENT REACTIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 14-Jan-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977THEHA00239  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770016-0146  
**Format:** TEL  
**From:** THE HAGUE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1977/newtext/t19770149/aaaabqvo.tel  
**Line Count:** 112  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** 9c2471d9-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION IO  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 77 STATE 6774, 77 STATE 6775, 76 THE HAGUE 6108  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 20-Dec-2004 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 3589971  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** UNDP: US INITIATIVES ON USE OF ACCUMULATED NON- CONVERTIBLE CURRENCIES  
**TAGS:** EAID, NL, US, UNDP  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odb://SAS/SAS.dbo.SAS\_Docs/9c2471d9-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009